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ACQUISITION DIRECTORATE

DATE: April 9, 2019  
FROM: Chanda Brooks, Procuring Contracting Officer  
TO: MG Maria Barrett, Source Selection Authority  
SUBJECT: Memorandum Documenting Anticipated Determination of Competitive Range and Requesting Concurrence

Reference A: Memorandum Documenting Determination of the Factor 1 Technical Evaluation Board's Recommendation on the Acceptable/Unacceptable Ratings for Factor 1, Gate Criteria, dated February 26, 2019

Reference B: JEDI Cloud Source Selection Plan, as revised

Reference C: Solicitation HQ0034-18-R-0077, as amended

Reference D: Source Selection Evaluation Board (SSEB) Report, dated February 25, 2019

Reference E: Price Evaluation Board (PEB) Report, dated February 20, 2019

Reference F: Memorandum, Source Selection Advisory Council (SSAC) Executive Summary Report dated February 25, 2019

## I. PURPOSE

In accordance with References B and C, the purpose of this memorandum is:

- 1) to document the decision to establish a competitive range to include Amazon Web Services, Inc. (AWS) and Microsoft Corporation (Microsoft) and to exclude International Business Machines Corporation (IBM), Oracle America, Inc. (Oracle), Dalubciko, Compuline International, Inc., NVP-Energy; and
- 2) to request concurrence from the Source Selection Authority (SSA) regarding the competitive range determination; and
- 3) to request permission to enter into discussions with those Offerors to be included in that competitive range

## II. BACKGROUND

Seven Offerors submitted responses to the Solicitation, Reference C (Ref. C). Three Offerors, Dalubciko, Compuline International, Inc., and NVP-Energy, submitted incomplete proposals that were not in accordance with Ref. C instructions. These three Offerors' proposals could not be meaningfully evaluated and were eliminated from the competition, and are not further considered in this memorandum. These three Offerors will be notified concurrently with all other Offerors.

The remaining four proposals received in response to Ref. C were evaluated in accordance with Section M of Ref. C using a two-phase evaluation process. As depicted in Figure 1, under Phase One, all Offerors were evaluated against the "Acceptable/Unacceptable" criteria identified in Table M-2. In accordance with Ref. C, Offerors who receive a rating of "Unacceptable" under any of the Factor 1 Gate Criteria Sub-factors will not be further evaluated.

Figure 1.

Offeror	Factor 1	SF 1.1	SF 1.2	SF 1.3	SF 1.4	SF 1.5	SF 1.6	SF 1.7	SF 1.8
AWS	A	A	A	A	A	A	A	A	A
Microsoft	A	A	A	A	A	A	A	A	A
IBM	U	A	U	NE	NE	NE	NE	NE	NE
Oracle	U	U	NE	NE	NE	NE	NE	NE	NE

SF = Sub-Factor A = Acceptable U = Unacceptable NE = Not Evaluated

Both AWS and Microsoft received a rating of “Acceptable” for all Sub-factors within Factor 1, resulting in an overall rating of “Acceptable”. IBM received a rating of “Acceptable” for Sub-factor 1.1 and a rating of “Unacceptable” for Sub-factor 1.2, resulting in the rest of the Sub-factors not being evaluated; therefore, the overall rating for IBM’s proposal is “Unacceptable”. Oracle received a rating of “Unacceptable” for Sub-factor 1.1, resulting in the rest of the Sub-factors not being evaluated; therefore, the overall rating for Oracle’s proposal is “Unacceptable”. Reference A documents the SSA’s concurrence with the Factor 1 evaluations.

As provided in section M of Ref. C, when making the best value determination, only those Offerors who receive a rating of “Acceptable” for all of Factor 1 will be considered for award. Under Phase Two of the evaluation process, the Government evaluated the Offeror’s proposal using the following steps:

- 1) If the rating is “Acceptable” for all Sub-factors under Factor 1, Gate Evaluation Criteria, the Offeror’s proposal for Factors 2 through 6 and 9 will be evaluated.
- 2) Upon completion of the evaluation in Phase One and Phase Two step 1, a competitive range will be established.

At the conclusion of the Factor 1 evaluation, only AWS and Microsoft moved forward into Phase Two of the evaluation process.

As depicted in Figure 2, under Phase 2, these Offerors were evaluated and assessed Technical adjectival ratings as identified in Table M-3 and Risk adjectival ratings as identified in Table M-5.

Source Selection Information - See FAR 2.101 and 3.104

Figure 2.

Offeror	Factor 2		Factor 3		Factor 4		Factor 5		Factor 6	
	AR	RR	AR	RR	AR	RR	AR	RR	AR	RR
AWS										
Microsoft										

AR = Adjectival Rating G = Good Ma = Marginal U = Unacceptable  
 RR = Risk Rating L = Low M = Moderate U = Unacceptable

As depicted in Figure 2, both remaining Offerors' proposals contained deficiencies, resulting in "Unacceptable" Technical ratings that make the proposals unawardable and "Marginal"/"Unacceptable" Risk ratings. I was present for the SSEB meeting wherein he heard presentations from Factors 2-6 TEBs and discussed their respective reports. I was also present for the SSAC meeting wherein they heard presentations and reached a consensus that resulted in Reference F, a Memorandum from the SSAC Chair recommending not to award based on initial proposals, and recommending the Procuring Contracting Officer (PCO) establish a competitive range. Further, in making my determination of the competitive range, I reviewed the findings of Reference D, the SSEB Report, and Reference E, the PEB Report, in light of the following considerations.

Figure 3.

Offeror	Total Evaluated Price (TEP)
AWS	\$ [REDACTED]
Microsoft	\$ [REDACTED]

I also considered price. As briefed to you, all Offerors had issues with the price proposals and would require some revision to correct issues noted in the price evaluation. Further, as described in Reference E, and illustrated in Figure 3, the prices are competitive. However, the Total Evaluated Price are both deemed unacceptable since there were inconsistencies across the price proposals and accuracy and completeness issues identified by the PEB.

Given that all initial proposals that received an "Acceptable" rating for Factor 1 were determined to be technically unacceptable in the non-price factors, I considered the extent to which Offerors would need to rewrite each area of their proposals to determine which Offerors were among the most highly rated. In determining the extent of required rewrites, I looked at each deficiency and considered whether the issue would require extensive revisions to correct, whether correcting the

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issue would require revisions in multiple other Factors, and the total number of Factors requiring revision to be made awardable. I also considered the competitiveness of the prices. A summary of these considerations is included below.

### III. OFFERORS INCLUDED IN THE COMPETITIVE RANGE

The proposals included in the competitive range could be made acceptable with various revisions. These revisions are generally not considered to be major. Instead, they are limited to revisions of particular aspects of a Factor, and/or limited global revisions (i.e., revisions in one area that have limited cascading effects throughout the proposal).

In addition to some of the technical evaluation findings discussed below, both AWS and Microsoft are required to clarify findings across their proposals in order for the TEP to be deemed acceptable. Additionally, discussions are required to correct the inconsistencies and assumptions found across each offerors price proposals.

#### A. AWS

The AWS proposal is unawardable due to deficiencies [REDACTED]

[REDACTED]

[REDACTED] However, because the deficiencies in AWS's proposal can likely be resolved without major revisions through discussions, AWS is included within the competitive range.

#### B. Microsoft

The Microsoft proposal is unawardable due to deficiencies [REDACTED]

[REDACTED]

Source Selection Information - See FAR 2.101 and 3.104

[REDACTED]  
[REDACTED]  
[REDACTED]  
However, because the deficiencies in Microsoft's proposal can likely be resolved without major revisions through discussions, Microsoft is included within the competitive range.

#### IV. DETERMINATION

Both proposals being included in the competitive range require revisions to be made awardable through mostly discrete, localized revisions to their proposals.

Given that only those Offerors who receive a rating of "Acceptable" for all of Factor 1 will be considered for award in accordance with Ref. C, I determined to exclude IBM and Oracle from the competitive range. Given that AWS and Microsoft received a rating of "Acceptable" for Factor 1, and a complete rewrite is not anticipated for each respective proposal, I determined that the competitive range should include AWS and Microsoft. This memorandum documents the basis for my determination. In accordance with Reference B, I am requesting your concurrence with this determination.

With your concurrence, and in accordance with Reference C, both AWS and Microsoft will be invited to provide Volumes IV, V, and VII. In accordance with Reference C, Factors 7 and 8 shall be evaluated. If an Offeror is eliminated from the competitive range based on their Factor 8 evaluation, I shall brief the SSA and request concurrence for the elimination of that Offeror from the competitive range. If neither Offeror is eliminated from the competitive range based on their Factor 8 evaluation, then I am requesting your permission to enter into discussions with those Offerors within the competitive range.



Chanda Brooks  
Procuring Contracting Officer, JEDI Cloud

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